

# CONSUMER PRICE INDEX, INFLATION RATE AND PURCHASING POWER OF PESO

JULY 2020

## CONSUMER PRICE INDEX FOR ALL INCOME HOUSEHOLDS IN DAVAO ORIENTAL: JULY 2020 (2012 = 100)

### CONSUMER PRICE INDEX (CPI)



is an indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by households relative to a base year.

CPI in July 2020 **126.3**

This means that for an average household in Davao Oriental to afford same values of goods and services in July 2012 @ PhP100.00, needs an additional PhP26.30 in July 2020.



### INFLATION RATE

is the annual rate of change or the year change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of money.

Inflation Rate in July 2020 **2.5%**

This means that if you paid PhP15.00 for a can of sardines in July 2019 and if on the average, prices went up by 2.5% after a year's time, you will need PhP15.38 to buy same brand of a can of sardines in July 2020.

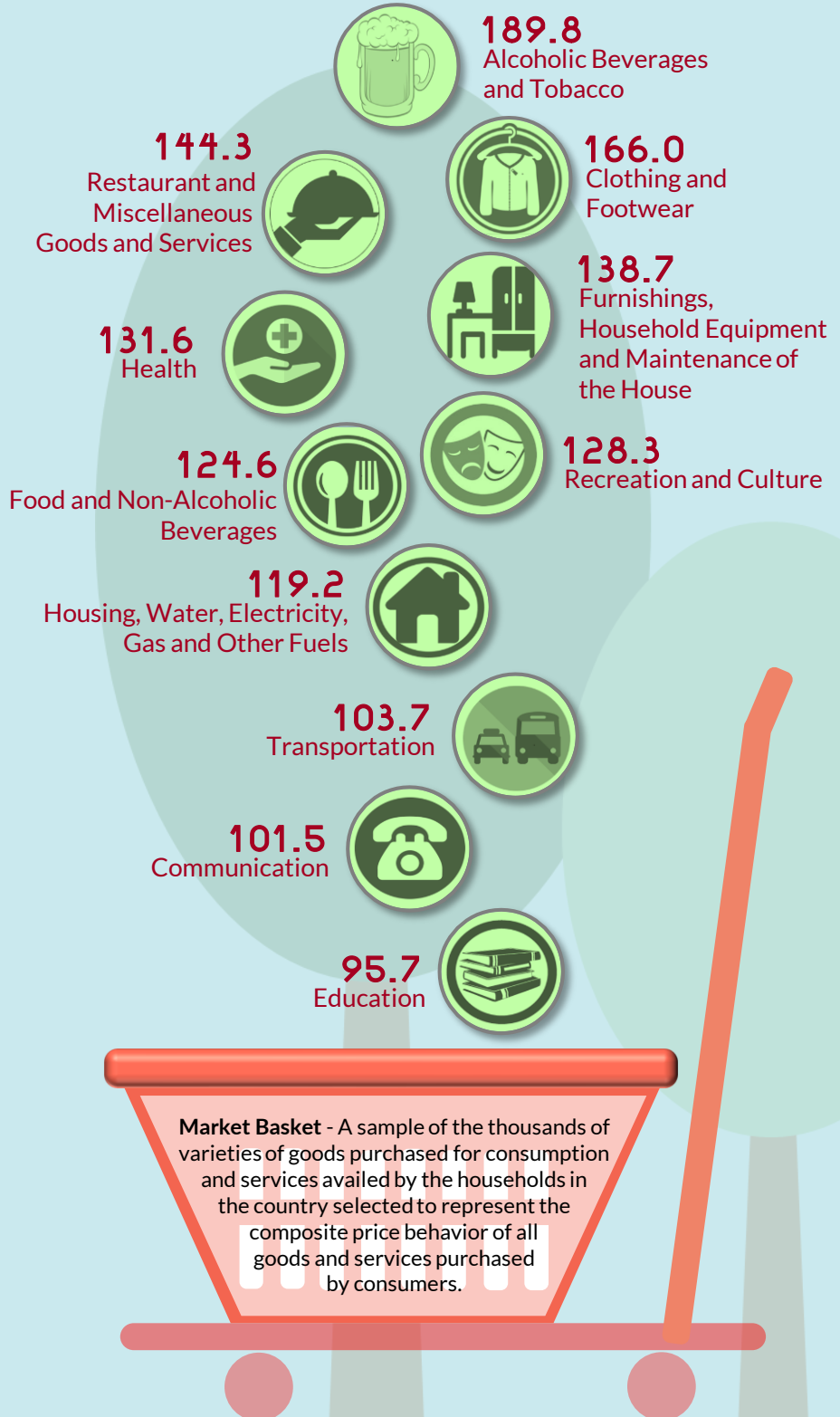
### PURCHASING POWER OF PESO (PPP)



shows how much the peso in the base period is worth in the current period.

PPP in July 2020 **0.79**

A peso in July 2012 only worth 79 centavos in July 2020.



**Market Basket** - A sample of the thousands of varieties of goods purchased for consumption and services availed by the households in the country selected to represent the composite price behavior of all goods and services purchased by consumers.

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